

CONFIDENTIAL

CENTRAL INTELLIGENCE AGENCY  
**INFORMATION REPORT**

25X1

COUNTRY China (Sinkiang)

SUBJECT Summary of Basic Contents, Chinese Draft of Sino-Soviet Treaty Regarding Sinkiang (1954-1957)

25X1

DATE DISTR. 20 Jul 54

NO. OF PAGES 3

NO. OF ENCLS.

SUPP. TO  
REPORT NO.

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE  
OF THE UNITED STATES. WITHIN THE MEANING OF TITLE 18, SECTIONS 793  
AND 794, OF THE U.S. CODE, AS AMENDED. ITS TRANSMISSION OR REVE-  
LATION OF ITS CONTENTS TO OR RECEIPT BY AN UNAUTHORIZED PERSON IS  
PROHIBITED BY LAW. THE INFORMATION OF THIS REPORT IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

25X1

25X1

25X1

25X1

25X1

25X1

1. The following information

is a summary of the basic contents of the Chinese draft of the  
Sino-Soviet Treaty regarding Sinkiang (for 1954-1957)

2. Communications (Development of railroads and highways):

a. Railroads:

- (1) Completion of the Lanchow - Tihua Railroad
- (2) Construction of the Huo-ch'eng - Tihua Railroad
- (3) Construction of the T'a-shih - Ao-shih Railroad

b. Highways:

- (1) Completion of the Tihua - K'u-erh highway
- (2) Completion of the T'a-shih - T'u-erh highway
- (3) Completion of the Hs-fu - Chi-mu-nai highway
- (4) Completion of the Wu-su - Ah-shan highway

3. War Industries:

- a. Construction of a plane factory in Tihua
- b. Expansion of the Tihua Arsenal
- c. Establishment of huge gunpowder factories at Wu-su and K'u-erh
- d. Establishment of a tank factory in Tihua

4. Expansion of Air Bases:

- a. Fighter bases: I-ning, T'a-ch'eng and Ch'i-t'ai
- b. Bomber bases: I-ning, Hami and Tihua

25X1

CONFIDENTIAL

DISTRIBUTION/	STATE -X	ARMY -X	NAVY -X	AIR -X	FBI						
---------------	----------	---------	---------	--------	-----	--	--	--	--	--	--

This report is for the use within the USA of the Intelligence components of the Departments or Agencies indicated above. It is not to be transmitted overseas without the concurrence of the originating office through the Assistant Director of the Office of Collection and Dissemination, CIA.

25X1

CONFIDENTIAL

25X1

- 2 -

5. Atomic Research:

- a. Establishment of a Sino-Soviet Research Institute of Atomic Weapons.
- b. Development of uranium mining
- c. Utilization of desert areas for testing atomic weapons

6. Industrial Development:

- a. Development of northern Sinkiang into a new industrial center, with Tihua as the source of electric power supply.
- b. Development at Yü-min, Huo-ch'eng, T'a-shih, Yü-t'ien (Khotan), Yen-ch'i, Ch'i-tai, and Wu-su of electrical power plants.
- c. Utilization of the Hung-yen Dam for the development of hydroelectric power.

7. Development of Petroleum Industry:

- a. Increase of production facilities of the Sino-Soviet Petroleum Co within five years to 10 times its current size, and its production to 20 times the 1952 output.
- b. Main oil fields to be developed:
  - (1) Tu-shan-tzu
  - (2) K'u-ch'eng
  - (3) Pai-ch'eng
  - (4) T'a-k'e-la-k'e (in Wen-su)
  - (5) Hung-k'ou (in Wu-ch'a)
  - (6) T'ien-su-mu (in Wu-su)
  - (7) Chang-chün-k'ou (in Wu-su)

8. Development of General Mining Industries:

- a. Expansion of the Sino-Soviet Non-ferrous Metal Co as a basic step:
  - (1) its plant to be increased to six times its present size;
  - (2) production to be stepped up 14 times.
- b. Areas of exploitation:
  - (1) Gold mines in the Altai Mountain area and T'a-ch'eng
  - (2) Iron mines in K'u-ch'eng, Pai-ch'eng, Wen-su, T'a-ch'eng, I-ning, Su-fu, Turfan, and Khotan
  - (3) Alumina shales in Wu-shih, Pai-ch'eng, Yen-ch'i, T'a-ch'eng, I-ning, K'u-ch'eng, Kuang-hsi and Hua-ch'eng
  - (4) Manganese mines in T'a-ch'eng and Tarbagatai
  - (5) Tin mines in K'u-ch'eng, Wu-shih and Yen-ch'i
  - (6) Tungsten mines in Wen-su, Chi-k'e-t'ai, Hu-ssü-t'ai, and Chü-li-k'un

9. Development of Steel Industry:

Expansion of steel plants No 1 and No 2 in Tihua to step up production within five years to four and a half times their present capacity. This project is to be given highest industrial priority.

10. Fuel Industries:

- a. Immediate exploitation of the surface coal mines in Lu-tao-chien and Huang-shan-chieh (in Fou-k'ang).
- b. Simultaneous acceleration of the tunnel works north and south of the T'ien Shan Range.
- c. Objective within five years: To increase the present output by eight times.
- d. Labor supply: Maximum already in progress.

25X1

CONFIDENTIAL

25X1

25X1

CONFIDENTIAL

- 3 -

11. Textile Industries:

Construction of weaving mills at Khotan and K'a-shih, with two thousand automatic looms and 200 thousand spindles. The machinery is to be removed from Shanghai and Southeast China, if necessary.

12. Agriculture and Water Conservancy:

- a. To convert southern Sinkiang into a basic agricultural area with modernized irrigation and cultivation.
- b. To develop non-desert areas such as the I-ning Valley and the Turfan marshlands into cotton and wheat producing regions.

13. Establishment of 10 Large Mechanized Collective Farms:

- a. Area - 10 million mou
- b. Labor - troops stationed in Sinkiang
- c. Use of produce: To be exported to the USSR in exchange for machinery.

14. Resettlement of Sinkiang:

- a. Relocation of 500 thousand people from Kansu, Ningsia, and Shensi by government mandate.
- b. To increase cultivatable land by 15 million mou within five years.

15. City Building:

- a. Expansion of Tihua to five times its present area and its conversion into a modern metropolis.
- b. The building of five or more similar cities.
- c. Preparation of Tihua as a wartime capital, when needed.

16. Soviet Financial Aid:

- a. Besides the general loans to China for overall economic reconstruction, the USSR is to set up conjointly with China "the Joint Office for the Development of Sinkiang," with an annual disbursement of 500 million rubles.
- b. Such joint enterprises as the Coal and Steel Co, Electric Power Co, Machinery Co, etc, will be financed 51% by China and 49% by the USSR.

- end -

25X1

CONFIDENTIAL

25X1